

HB1321 : Bona fide agricultural property; preferential assessment; certain owners

A BILL to amend Article 1 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to general provisions of ad valorem taxation of property, so as to provide that an owner of property devoted to bona fide agricultural purposes who is a

By: Representatives Westmoreland of the 104th, Royal of the 164th, Buck of the 135th, Ehrhart of the 36th and Kaye of the 37th

A BILL TO BE ENTITLED  
AN ACT

To amend Article 1 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to general provisions regarding ad valorem taxation of property, so as to provide for an additional case where a bona fide agricultural purposes or bona fide conservation use renewal covenant may be terminated without certain penalties applying; to provide for additional rules applicable to the qualification of certain conservation use property for current use assessment; to amend Chapter 89 of Title 36 of the Official Code of Georgia Annotated, relating to homeowner tax relief grants, so as to provide for such grants with respect to municipal ad valorem taxes for municipal purposes and independent school district ad valorem taxes for educational purposes; to change certain provisions regarding definitions; to change certain provisions regarding purposes of certain appropriations; to change certain provisions regarding appropriations for tax relief grants in the General Appropriations Act; to change certain provisions regarding procedures and conditions for grant allotment; to change certain provisions regarding administration and excess funds; to provide an effective date; to provide for applicability; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 4.**

Chapter 89 of Title 36 of the Official Code of Georgia Annotated, relating to homeowner tax relief grants, is amended by striking Code Section 36-89-1, relating to definitions, and inserting in its place a new Code Section 36-89-1 to read as follows:

"36-89-1.

As used in this chapter, the term:

(1) 'Applicable rollback' means a:

(A) Rollback of an ad valorem tax millage rate pursuant to subsection (a) of Code Section 48-8-91 in a county or municipality that levies a local option sales tax;

(B) Rollback of an ad valorem tax millage rate pursuant to subparagraph (c)(2)(C) of Code Section 48-8-104 in a county or municipality that levies a homestead option sales tax;

(C) Subtraction from an ad valorem millage rate pursuant to Code Section 20-2-334 in a local school system that receives a state school tax credit;

(D) Reduction of an ad valorem tax millage rate pursuant to the development of a service delivery strategy under Code Section 36-70-24; and

(E) Reduction of an ad valorem tax millage rate pursuant to paragraph (2) of subsection (a) of Code Section 33-8-8.3 in a county that collects insurance premium tax.

(2) 'County millage rate' means the net ad valorem tax millage rate, after deducting applicable rollbacks, levied by a county for county purposes and applying to qualified homesteads in the county, including any millage levied for special district purposes but not including any millage levied for purposes of bonded indebtedness and not including any millage levied on behalf of a county school district for educational purposes.

(3) 'Eligible assessed value' means a certain stated amount of the assessed value of each qualified homestead in the state. The amount of the eligible assessed value for any given year shall be fixed in that year's General Appropriations Act.

(4) 'Fiscal authority' means the individual authorized to collect ad valorem taxes for a county or municipality which levies ad valorem taxes.

(5) 'Municipal millage rate' means the net ad valorem tax millage rate, after deducting applicable rollbacks, levied by a municipality for municipal purposes and applying to qualified homesteads in the municipality, including any millage levied for special tax district purposes but not including any millage levied for purposes of bonded indebtedness and not including any millage levied on behalf of an independent school district for educational purposes.

(6) 'Qualified homestead' means a homestead qualified for any exemption, state, county, or school, authorized under Code Section 48-5-44.

(7) 'School millage rate' means the net ad valorem tax millage rate, after deducting applicable rollbacks, levied on behalf of a county or independent school district for educational purposes and applying to qualified homesteads in the county or independent school district, not including any millage levied for purposes of bonded indebtedness and not including any millage levied for county or municipal purposes.

(8) 'State millage rate' means the state millage levy."

## **SECTION 5.**

Said chapter is further amended by striking Code Section 36-89-2, relating to purposes of certain appropriations, and inserting in its place a new Code Section 36-89-2 to read as follows:

"36-89-2.

In any year the General Assembly may appropriate funds for homeowner tax relief grants to counties, municipalities, and county or independent school districts, in order to provide for more effective regulation and management of the finance and fiscal administration of the state and pursuant to and in furtherance of the provisions of Article III, Section IX, Paragraph II(c) of the Constitution; Article VII, Section III, Paragraph III of the Constitution; Article VIII, Section I, Paragraph I of the Constitution; and other provisions of the Constitution."

## **SECTION 6.**

Said chapter is further amended by striking Code Section 36-89-3, relating to appropriations for tax relief grants in the General Appropriations Act, and inserting in its place a new Code Section 36-89-3 to read as follows:

"36-89-3.

In any year the General Assembly may appropriate to the Department of Revenue funds to provide homeowner tax relief grants to counties, municipalities, and county or independent school districts. When

funds are so appropriated, the General Appropriations Act shall specify the amount appropriated and the eligible assessed value of each qualified homestead in the state for the specified tax year. If for any reason the amount appropriated in the General Appropriations Act is insufficient to fund the eligible assessed value stated in the General Appropriations Act, the amount appropriated may be adjusted in amendments to the General Appropriations Act."

## **SECTION 7.**

Said chapter is further amended by striking Code Section 36-89-4, relating to procedures and conditions for grant allotment, and inserting in its place a new Code Section 36-89-4 to read as follows:

"36-89-4.

(a)(1) When funds are appropriated as provided in Code Section 36-89-3, such grants shall be allotted to each county, municipality, and county or independent school district in the state as follows:

(A) Immediately following the actual preparation of ad valorem property tax bills, each county fiscal authority shall notify the Department of Revenue of the total amount of tax revenue which would be generated by applying the sum of the state and county millage rates to the eligible assessed value of each qualified homestead in the county. The total amount of actual tax credits, so calculated, given to all qualified homesteads in the county shall be the amount of the grant to that county;

(B) Immediately following the actual preparation of ad valorem property tax bills, each county or independent school district's fiscal authority shall notify the Department of Revenue of the total amount of tax revenue which would be generated by applying the school millage rate to the eligible assessed value of each qualified homestead in the county or independent school district. The total amount of actual tax credits, so calculated, given to all qualified homesteads in the county or independent school district shall be the amount of the grant to that county or independent school district;

(C) Immediately following the actual preparation of ad valorem property tax bills, each municipality's fiscal authority shall notify the Department of Revenue of the total amount of tax revenue which would be generated by applying the municipal millage rate to the eligible assessed value of each qualified homestead in the municipality. The total amount of actual tax credits, so calculated, given to all qualified homesteads in the municipality shall be the amount of the grant to that municipality.

(2) Credit amounts computed under paragraph (1) of this subsection shall be applied to reduce the otherwise applicable tax liability on a dollar-for-dollar basis, but the credit granted shall not in any case exceed the amount of the otherwise applicable tax liability after the granting of all applicable homestead exemptions except for any homestead exemption under Article 2A of Chapter 8 of Title 48, the 'Homestead Option Sales and Use Tax Act,' as amended, and after the granting of all applicable millage rollbacks.

(b) The grant of funds to each county shall be conditioned on the county's fiscal authority reducing each qualified homestead's otherwise applicable liability for county taxes for county purposes by a credit amount calculated in subparagraph (a)(1)(A) of this Code section.

(c) The grant of funds to each county or independent school district shall be conditioned on the county or independent school district's fiscal authority reducing each qualified homestead's otherwise applicable liability for school taxes by a credit amount calculated in subparagraph (a)(1)(B) of this Code section.

(d) The grant of funds to each municipality shall be conditioned on the municipality's fiscal authority reducing each qualified homestead's otherwise applicable liability for municipal taxes by a credit amount calculated in subparagraph (a)(1)(C) of this Code section.

(e) Each fiscal authority shall show the credit amount on the tax bill, together with a prominent notice in substantially the following form: 'This reduction in your bill is the result of homeowner's tax relief enacted by the Governor and the General Assembly of the State of Georgia.'

#### **SECTION 8.**

Said chapter is further amended by striking Code Section 36-89-5, relating to administration and excess funds, and inserting in its place a new Code Section 36-89-5 to read as follows:

"36-89-5.

(a) The state revenue commissioner shall administer this chapter and shall adopt rules and regulations for the administration of this chapter, including specific instructions to local governments. The state revenue commissioner may adopt procedures for partial or installment distribution of grants when the commissioner determines that a full distribution will only result in the necessity of return of funds under subsection (b) of this Code section.

(b) If any excess funds remain from the funds granted to any county, municipality, or county or independent school district under this chapter, after the county, municipality, or county or independent school district complies with the credit requirements of Code Section 38-89-4, such excess funds shall be returned by the county, municipality, or county or independent school district to the Department of Revenue."

#### **SECTION 9.**

This Act shall become effective upon its approval by the Governor or upon its becoming law without such approval and shall be applicable to all taxable years beginning on or after January 1, 2002.

#### **SECTION 10.**

All laws and parts of laws in conflict with this Act are repealed.